

Item No	Referred from:	Finance, Audit & Risk Committee
6E	Date:	25 March 2026
	Title of item:	Third Quarter Treasury Management Review 2025/26
To be considered alongside agenda item:		Agenda Item 14

The report considered by the Finance, Audit & Risk Committee at the meeting held on 25 March 2026 can be found here: [Agenda for Finance, Audit and Risk Committee on Wednesday, 25th March, 2026, 7.30 pm | North Herts Council](#)

RECOMMENDED TO CABINET: That the Finance, Audit and Risk Committee provided comments and recommend to Cabinet:

(1) That Cabinet notes the position of Treasury Management activity as at the end of December 2025.

REASON FOR RECOMMENDATION: To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

Audio recording – 1 hour 34 minutes 9 seconds

N.B. Cllr Paul Ward declared an interest in this item due to his employment and left the chamber and did not return.

The Director – Resources presented the report entitled 'Third Quarter Treasury Management Review 2025/26' and highlighted that:

- The Council had complied with the treasury strategy throughout quarter three.
- The split of investments was as shown in paragraph 8.4
- There had been an increase in interest rates in recent weeks as Local Authorities were generally borrowing money to support their cashflows, and the Council was able to take advantage of this.
- The global situation was impacting inflation and meant that interest rates might stay higher than previously forecast. This was positive for investment income, but there was a bigger concern for Council budgets if that resulted in ongoing inflation pressures.

The following Members asked questions:

- Councillor Vijaiya Poopalasingham
- Councillor Ruth Brown
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- 82% of the Council investments were in Local Authorities and the risk of this in Local Government Reorganisation (LGR) was split into two; the borrowing made by the authority going through LGR would follow into the new authority and the higher risk would be down to potential demand and capacity for lending of this type.
- The counterparty limits for all Councils would generally be set based on a proportion of total funds. Where Councils have larger amounts of available funds then they would have higher counterparty limits.
- The funds that matured in January 2026 would have been reinvested on a short-term basis. The issue the Council has had this year was due to the large capital spend there was uncertainty over when payment would be required. So cash had been kept invested on a short-term basis so money could be paid when it became due.

Councillor Vijaiya Poopalasingham proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

RECOMMENDED TO CABINET: *That the Finance, Audit and Risk Committee provided comments and recommend to Cabinet:*

- (1) That Cabinet notes the position of Treasury Management activity as at the end of December 2025.

REASON FOR RECOMMENDATION: To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.